

Memo

To: Mayor and City Council
From: Stevan E. Kvenvold *SEK*
Date: October 2, 2003
Subject: Proposed Transportation Improvement District Charges for the Bamberwoods and Remaining S.W. Area

Attached for your review and consideration is a recommendation for the establishment of Transportation Improvement District (TID) charges for new developments in the above-described area.

I recommend your consideration of Option #3, which uses the combined costs stated in Option #2, but establishes the public's share at 33%, rather than 50%, and establishes the developer's share at 67%, rather than 50%.

The City organization does not have a viable revenue source to pay for the public's share of new or reconstructed roads which are necessitated by new development. The City organization's share of the property tax revenues from new development is not sufficient to pay for the service costs associated with new development and the City organization is having a difficult time financing the maintenance costs associated with the current street system.

Requiring the general public to cover 1/3 of the expenses associated with new street or reconstructed streets necessitated by new developments will be a significant revenue challenge for the City organization.

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M E M O R A N D U M

DATE: October 2, 2003
TO: Steve Kvenvold
FROM: Michael Nigbur
RE: SW TID / Bamberwood TID Options
CC:

After our discussion on the potential TID districts for the SW areas Russ calculated costs related to the Bamberwood Area and I calculated the costs for the 18th Avenue, 40th Street & Bamber Valley Road area. I also calculated the gross and net acres of the Bamberwood area as well as the remaining SW TID area.

Based on this data I proceeded to calculate the various options for the TID's

OPTION 1 - Separate Bamberwood TID and a SW TID rates.

Bamberwood TID has an estimated cost of \$707,000 for a 24' rural roadway on 28th and 14th Avenues and an urban 24' roadway on Woodcrest (since this street would link two urban street segments). The Bamberwood TID area includes approximately 144 gross acres and 104 net acres. Based on the estimated cost and the available acreage and using the directed 70%/30% cost split the Bamberwood TID would be \$3440 per gross acre or \$4760 per net buildable acre.

The SW TID which would include total improvement to 40th Street SW (for a 52' wide roadway) as well as bike paths on the east side of 18th Avenue (from 40th Street to Mayowood Road) and the East side of Bamber Valley Road (from 40th Street to Mayowood Road) has an estimated cost of \$7,044,000. The area included in the SW TID encompasses 1370 gross acres and 900 net buildable acres. Based on the estimated cost and the available estimated acreage assuming the City pays for 50% of the district costs the SW TID would be \$2,540 per gross acres or \$3866 per net buildable acre.

Based on this option the cost to the Bamberwood area developers would be \$8626 per net buildable acre for TID payments.

Option 2 - Combined TID Rate for Bamberwood and SW TID.

This Option has the same work elements included in Option 1 however the total cost is spread over the entire TID area. This TID has an estimated cost of \$7,750,860. This cost, assuming the City pays 50%, spread over 1370 gross acres and 900 net buildable acres would yield a SW TID rate of \$2798 per gross acre or \$4259 per buildable acre.

Option 3 – Combined TID Rate reduced City participation

Staff is aware of the ongoing obligations the City is accepting when the Council adopts the TID Rate. The City does not specifically have any revenue source that is available to assist in paying for these obligations. Therefore, in consideration of the potential City obligations and after further staff discussions, we have developed an option for the Council which would reduce the City's obligation but increase the Developers. This option uses the combined costs outlined in Option #2 however the City will only pay 1/3 of the cost verses 1/2 as outlined in Option #2. Using this 1/3 – 2/3 cost break down the TID rate for the gross and net acreage is \$3792 and \$5773 respectively.

Since specific work elements and affected area significantly determines the cost of the TID I would suggest that Option #2 or Option #3 be selected for the appropriate TID charges. Both of these options provide a needed path along the East side of 18th Avenue SW, it provides a full reconstruction of 40th Street from 18th Avenue to Bamber Valley Road and it provides a bike path along the Bamber Valley Road. The Option #2 is rate is only slightly more than the previously estimated rate of \$2075 per gross acre (which is the base standard rate that we quote when no cost estimates are calculated).

This map shows the East Side area with the proposed path highlighted in a thick black line. The path starts at the intersection of Maywood Rd SW and Bamber Valley Rd SW, runs south along Bamber Valley Rd SW, then turns east along 18 Ave SW, 17 Ave SW, and 16 Ave SW. It then turns south along 15 Ave SW, 14 Ave SW, and 13 Ave SW, and finally turns east along 12 Ave SW. The path ends at the intersection of 12 Ave SW and 11 Ave SW. The area is bounded by Maywood Rd SW to the north, Bamber Valley Rd SW to the west, 12 Ave SW to the east, and 42 St SW to the south. Other streets shown include 20 St SE, 13 Ave SE, 18 Ave SW, 17 Ave SW, 16 Ave SW, 15 Ave SW, 14 Ave SW, 13 Ave SW, 12 Ave SW, 11 Ave SW, 42 St SW, 40 St SW, 38 St SW, 36 St SW, 34 St SW, 32 St SW, 30 St SW, 28 St SW, 26 St SW, 24 St SW, 22 St SW, 20 St SW, 18 St SW, 16 St SW, 14 St SW, 12 St SW, 10 St SW, 8 St SW, 6 St SW, 4 St SW, 2 St SW, 1 St SW, 1 St SE, 3 St SE, 5 St SE, 7 St SE, 9 St SE, 11 St SE, 13 St SE, 15 St SE, 17 St SE, 19 St SE, 21 St SE, 23 St SE, 25 St SE, 27 St SE, 29 St SE, 31 St SE, 33 St SE, 35 St SE, 37 St SE, 39 St SE, 41 St SE, 43 St SE, 45 St SE, 47 St SE, 49 St SE, 51 St SE, 53 St SE, 55 St SE, 57 St SE, 59 St SE, 61 St SE, 63 St SE, 65 St SE, 67 St SE, 69 St SE, 71 St SE, 73 St SE, 75 St SE, 77 St SE, 79 St SE, 81 St SE, 83 St SE, 85 St SE, 87 St SE, 89 St SE, 91 St SE, 93 St SE, 95 St SE, 97 St SE, 99 St SE, 101 St SE, 103 St SE, 105 St SE, 107 St SE, 109 St SE, 111 St SE, 113 St SE, 115 St SE, 117 St SE, 119 St SE, 121 St SE, 123 St SE, 125 St SE, 127 St SE, 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